



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of
LUIS P. SALAVERIA
Director

Department of Business, Economic Development and Tourism
before the

HOUSE COMMITTEE ON HOUSING

March 16, 2015 at 8:30 a.m.
State Capitol, Room 329

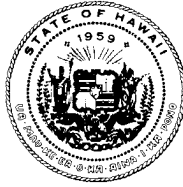
In consideration of

- H.C.R. 17 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-655
INOAOLE STREET, WAIMANALO, HAWAII;**
- H.C.R. 18 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-575
INOAOLE STREET, WAIMANALO, HAWAII;**
- H.C.R. 19 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-543
INOA STREET, WAIMANALO, HAWAII;**
- H.C.R. 20 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 95-944
MEHEULA PARKWAY, NO. 153, MILILANI, HAWAII; and**
- H.C.R. 21 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 95-015
KUAHELANI AVENUE, NO. 319, MILILANI, HAWAII.**

Chair Hashem and Members of the House Committee on Housing.

DBEDT supports H.C.R. 17 through H.C.R. 21, all part of the Administration's legislative package. HHFDC is seeking legislative approval to sell the leased fee interest in these homes to their respective leasehold owners. HHFDC has met all statutory prerequisites to request approval of the sale of these parcels.

Accordingly, DBEDT respectfully requests that the Committee pass these concurrent resolutions. Thank you for the opportunity to testify.



STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

IN REPLY REFER TO:

Statement of
Craig K. Hirai
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON HOUSING

March 16, 2015 at 8:30 a.m.
State Capitol, Room 329

In consideration of
**H.C.R. 17 APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-655
INOAOLE STREET, WAIMANALO, HAWAII.**

The HHFDC supports H.C.R. 17 with requested amendments. HHFDC is seeking legislative approval to sell the leased fee interest in this single family home to their respective leasehold owners. A typographical error in the street address requires correction in the resolution title and in two references in the body of this resolution requires correction. The correct street address number of the property is **41-665** Inoaole Street. Other details in the resolution, including the Tax Map Key number of the property, are correct. A proposed H.D. 1 is attached for your consideration.

This house was built in 1975 as part of the Hale Aupuni affordable for-sale development. Only 20 homes out of the 190 homes in the development remain in leasehold. The fair market value of the leased fee interest in 41-665 Inoaole Street as of June 1, 2014 was \$123,200.

A title search conducted by Title Guaranty of Hawaii on September 4, 2014, showed that this parcel was classified as Government land previous to August 15, 1895.

HHFDC conducted a public meeting on the proposed sale on September 9, 2014, at Waimanalo School Cafeteria, Waimanalo, Hawaii, following publication of notice in the Honolulu Star-Advertiser newspaper on September 5 and 9, 2014. There was no objection to the proposed sale raised at that time.

HHFDC has also worked with the Office of Hawaiian Affairs during the interim to keep them informed of these findings and intent to sell the leased fee interest in this parcel. A copy of the draft resolution was provided to OHA on September 30, 2014.

The attached documents provide more information on this parcel to the Committee:

1. A map showing the general location of the parcel;
2. A photo of the parcel; and
3. A copy of the title report prepared for this parcel.

We respectfully request your favorable consideration of this concurrent resolution, with the requested amendment. Thank you for the opportunity to testify.

H.C.R. NO. 17

PROPOSED H.D. 1

HOUSE CONCURRENT RESOLUTION

APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-665 INOAOLE
STREET, WAIMANALO, HAWAII.

WHEREAS, section 171-64.7, Hawaii Revised Statutes,
requires the prior approval of the Legislature by concurrent
resolution to sell certain state lands in fee simple; and

WHEREAS, section 171-64.7(c), Hawaii Revised Statutes,
states that "[t]he concurrent resolution shall contain the
following information:

- (1) The specific location and size in square feet or in
other precise measure of the parcels of land to be
sold or given;
- (2) The appraisal value of the land to be sold or given;
- (3) The names of all appraisers performing appraisals of
the land to be sold or given;
- (4) The date of the appraisal valuation;
- (5) The purpose for which the land is being sold or given;
- (6) A detailed summary of any development plans for the
land to be sold or given; and
- (7) A statement of whether the land is, or is not, land
that was classed as government or crown lands previous
to August 15, 1895, or was acquired by the State in
exchange for such lands, and a detailed explanation of
how the state department or agency made this
determination.

A draft of the concurrent resolution for the prior approval
of a sale or gift of land shall also be submitted to the office
of Hawaiian affairs at least three months prior to the convening
of a regular or special session of the legislature to allow the
office to determine whether the land was classed as government
or crown lands previous to August 15, 1895, or was acquired by
the State in exchange for such lands"; and

1 WHEREAS, pursuant to section 171-64.7(e), Hawaii Revised
2 Statutes, prior to finalizing any proposal for the sale or gift
3 of lands and prior to the submission of the concurrent
4 resolution to the Legislature, an informational briefing on the
5 proposed sale or gift of lands shall be held in the community
6 where the land to be sold or given is located; and
7

8 WHEREAS, the Hawaii Housing Finance and Development
9 Corporation (the "Corporation") desires to sell the leased fee
10 interest in 41-665 Inoaole Street, Waimanalo, Hawaii, and
11 provides the following information pursuant to section 171-64.7,
12 Hawaii Revised Statutes:

- 13 (1) The parcel is a single family home that is part of the
14 Hale Aupuni project built in 1975 and is identified as
15 a 4,404 square foot parcel, TMK No. 1-4-1-33-21;
- 16 (2) The leased fee interest in this parcel was appraised
17 to have a fair market value of \$123,200;
- 18 (3) The parcel was appraised by Harlin Young & Co, Ltd.;
- 19 (4) The appraisal valuation date is June 1, 2014;
- 20 (5) The primary purpose for the sale of this parcel is to
21 convey the leased fee interest to its current
22 leasehold owner;
- 23 (6) There is no development plan for this unit, which is a
24 single family residence; and
- 25 (7) As of August 15, 1895, the parcel was a portion of the
26 Government (Crown) Land of Waimanalo; the
27 Corporation's predecessor agency, the Hawaii Housing
28 Authority, acquired title to the property through
29 Grant No. S-15,206, dated September 5, 1974; and this
30 was determined by a search of the title records for
31 this parcel by Title Guaranty of Hawaii on
32 September 4, 2014; and
33

34 WHEREAS, the Corporation duly submitted a draft of the
35 Concurrent Resolution to the Office of Hawaiian Affairs on
36 September 30, 2014, more than three months prior to the opening
37 day of the Regular Session of 2015; and
38

39 WHEREAS, the Corporation duly conducted a public
40 informational briefing on the sale of this parcel on
41 September 9, 2014, at the Waimanalo School cafeteria, Waimanalo,
42 Hawaii, following publication of notice of the briefing in the
43 Honolulu Star-Advertiser newspaper on September 5 and 8, 2014;
44 and

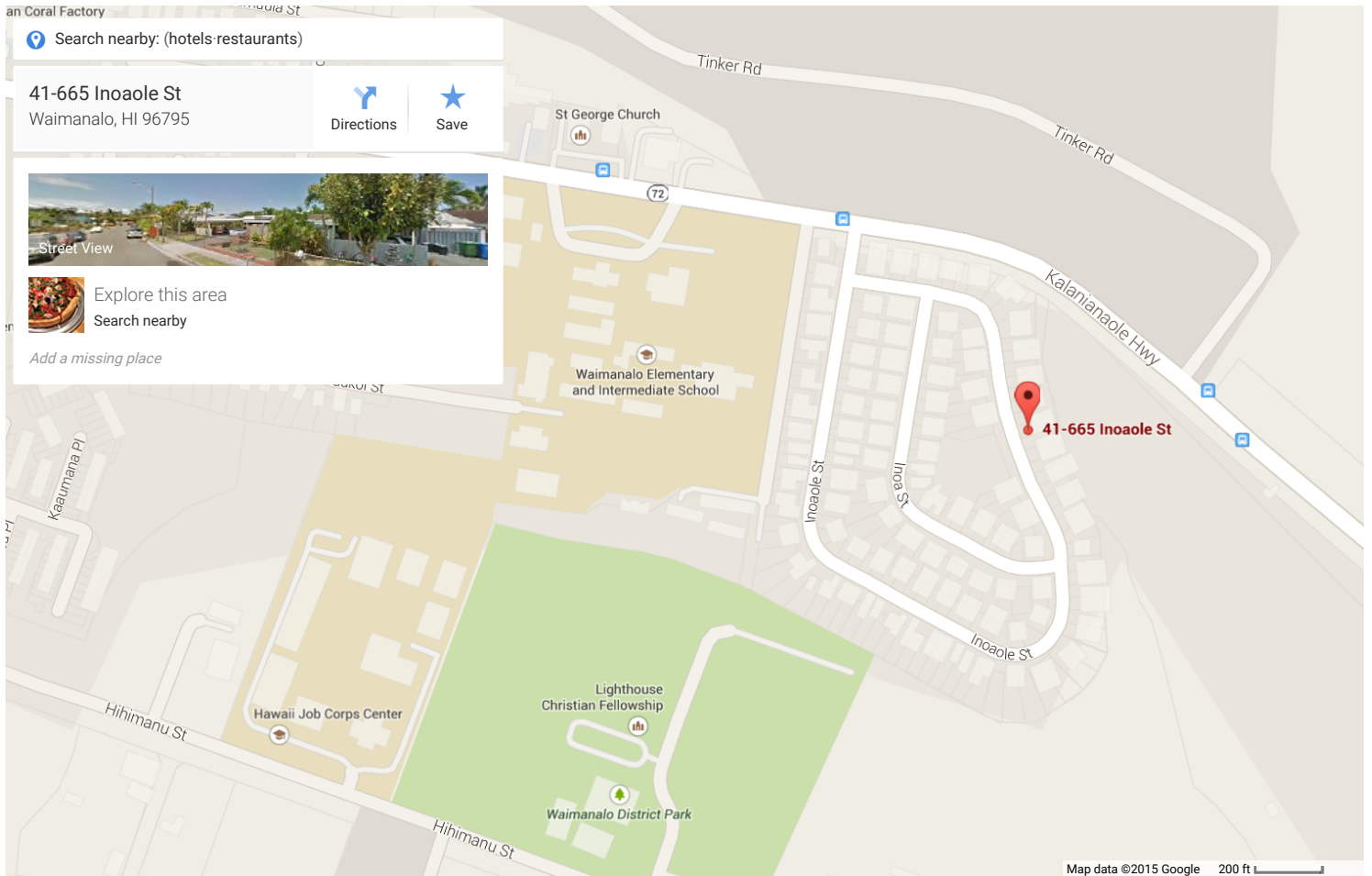
H.C.R. NO. 17

PROPOSED H.D. 1

1 WHEREAS, no objection to the proposed sale was received at
2 the public informational briefing; now, therefore,
3

4 BE IT RESOLVED by the House of Representatives of the
5 Twenty-eighth Legislature of the State of Hawaii, Regular
6 Session of 2015, the Senate concurring, that the sale of the
7 leased fee interest in 41-665 Inoaole Street, Waimanalo, Hawaii,
8 TMK No. 1-4-1-33-21, is hereby approved; and
9

10 BE IT FURTHER RESOLVED that a certified copy of this
11 Concurrent Resolution be transmitted to the Executive Director
12 of the Corporation.





TITLE GUARANTY OF HAWAII

INCORPORATED

235 QUEEN STREET
HONOLULU, HAWAII 96813

Phone No. (808) 539-7743

Residential Title

Fax No. (808) 521-0288

Lorna Kametani, Housing Sales Coordinator
HHFDC-Real Estate Services Section
677 Queen Street, Suite 300
Honolulu, Hawaii 96813

Re: TMK (1) 4-1-033-021

LIMITED LETTER REPORT

Maximum liability limited to
\$3,500.00

In accordance with your request, we have made a search as to the Fee Simple ownership of the property identified as Tax Map Key (1) 4-1-033-021, containing an area of 4,404 square feet, and find that the land as of August 15, 1895 was a portion of the Government Land of Waimanalo.

1. Land is classified as Government Land as of August 15, 1895.
2. HAWAII HOUSING AUTHORITY acquired title through Land Patent Grant Number S-15,206 as attached.

Dated September 4, 2014

Inquiries concerning this report
Should be directed to
Angela Reis
Email: areis@tghawaii.com
Fax (808) 521-0210
Telephone (808) 539-7789
Refer to Order No. 201438614

STATE OF HAWAII

Land Patent No. S-15,206(Grant)
Issued OnSALE PURSUANT TO SECTION 171-95(a) (1)
HAWAII REVISED STATUTES

By **THIS PATENT** the State of Hawaii, in conformity with the laws of the State of Hawaii relating to public lands and pursuant to the approval by the Board of Land and Natural Resources on May 10, 1974,

makes known to all men that it does this day grant and confirm unto

HAWAII HOUSING AUTHORITY,
a Hawaii corporation and body public,
hereinafter called the "PATENTEE",

for the consideration of ONE DOLLAR (\$1.00),

all of the land situate at WAIMANALO, KOOLAUPOKO, OAHU, HAWAII, being a portion of the Government Land of Waimanalo, situated on the southerly side of Kalaniana'ole Highway, Adjacent to Waimanalo School, more particularly described in Exhibit "A" and delineated on Exhibit "B", both of which are attached hereto and made a part hereof, said exhibits being, respectively, a survey description and survey map prepared by the Survey Division, Department of Accounting and General Services, State of Hawaii, both being designated C.S.F. No. 17,127 and dated June 21, 1974.

RESERVING TO THE STATE OF HAWAII, ITS SUCCESSORS AND ASSIGNS, THE FOLLOWING:

(1) All minerals as hereinafter defined, in, on or under the land and the right, on its own behalf or through persons authorized by it, to enter, sever, prospect for, mine and remove such minerals by deep mining, strip mining, drilling and any other means whatsoever, and to occupy and use so much of the surface of the land as may be required therefor. "Minerals", as used herein, shall mean any or all oil, gas, coal, phosphate, sodium, sulphur, iron, titanium, gold, silver, bauxite, bauxitic clay, diaspore, boehmite, laterite, gibbsite, alumina, all ores of aluminum and, without limitation thereon, all other mineral substances and ore deposits, whether solid, gaseous or liquid, in, on or under the land; provided, that "minerals" shall not include sand, gravel, rock or other material suitable for use and when used in road construction.

COPY

(2) All surface and ground waters appurtenant to the said land and the right on its own behalf or through persons authorized by it, to capture, divert or impound the same and to occupy and use so much of said land as may be required in the exercise of this reserved right.

Provided, however, that as a condition precedent to the exercise of the rights reserved in Paragraphs 1 and 2, just compensation shall be paid to the Patentee for any of Patentee's improvements taken.

THE PATENTEE covenants, for itself, its successors and assigns, that the use and enjoyment of the land herein granted shall not be in support of any policy which discriminates against anyone based upon race, creed, color or national origin.

TO HAVE AND TO HOLD said granted land unto the said

HAWAII HOUSING AUTHORITY,
a Hawaii corporation and body politic,

its successors and assigns forever, subject, however, to the reservations and covenant herein set forth.

IN WITNESS WHEREOF, the State of Hawaii, by its Board of Land and Natural Resources, has caused the Seal of the Department of Land and Natural Resources to be hereunto affixed and this Patent to be duly executed this 5th day of September, 1974.

STATE OF HAWAII
Board of Land and Natural Resources

By [Signature]
Chairman and Member

By [Signature]
Member

APPROVED AS TO FORM:

[Signature]
Deputy Attorney General
Dated: 21-74

Written by: mm

Proofed by: _____



STATE OF HAWAII

SURVEY DIVISION

DEPT. OF ACCOUNTING AND GENERAL SERVICES
HONOLULUC.S.P. No. 17,127

June 21, 1974

PORTION OF THE GOVERNMENT LAND OF WAIMANALO

Situating on the southerly side of Kalaniana'ole Highway
Adjacent to Waimanalo School

Waimanalo, Koolaupoko, Oahu, Hawaii

Beginning at the northwest corner of this parcel of land, the northeast corner of Waimanalo School (Governor's Executive Order 1521), and on the southerly side of Kalaniana'ole Highway, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KAILUA" being 13,556.64 feet South and 20,885.08 feet East, as shown on Government Survey Registered Map 2681, thence running by azimuths measured clockwise from True South:

1. 279° 06' 416.91 feet along the southerly side of Kalaniana'ole Highway;
2. Thence along the southerly side of Kalaniana'ole Highway, on a curve to the right with a radius of 775.00 feet, the chord azimuth and distance being:
291° 58' 58" 345.58 feet;

Thence along the middle of stream, along Government Land for the next twelve (12) courses, the direct azimuths and distances between points in the middle of said stream being:

3. 3° 34' 178.75 feet;
4. 345° 04' 283.89 feet;
5. 338° 01' 205.71 feet;
6. 356° 14' 394.63 feet;
7. 27° 02' 85.88 feet;
8. 44° 55' 30" 68.67 feet;
9. 57° 08' 30" 148.77 feet;
10. 90° 04' 108.87 feet;
11. 116° 53' 30" 107.24 feet;

EXHIBIT "A"

C.S.F. No. 17,127

June 21, 1974

12. 119° 10' 275.86 feet;
13. 116° 51' 30" 265.35 feet;
14. 115° 02' 30" 189.29 feet;
15. 189° 06' 1068.76 feet along Waimanalo School
(Governor's Executive Orders
1648 and 1521) to the point
of beginning and containing
an Area of 25.523 Acres.

SURVEY DIVISION
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
STATE OF HAWAII

By:

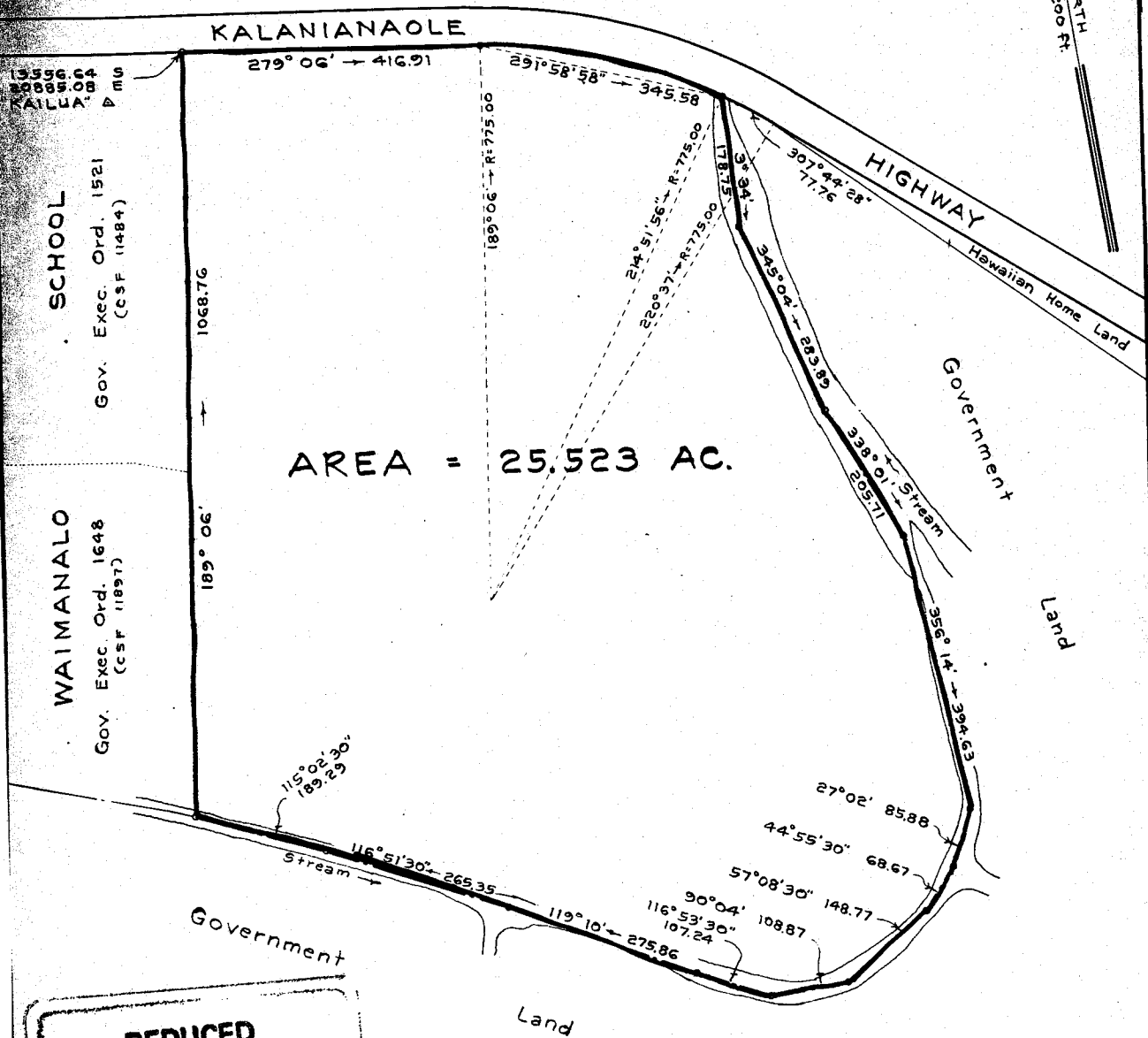
Ichiro Sakamoto
Ichiro Sakamoto
Land Surveyor

Compiled from
Gov't. Survey Records.

11

UNITED STATES MILITARY RESERVATION
(BELLWS FIELD)

TRUE NORTH
Scale: 1 in. = 200 ft.



**REDUCED
NOT TO SCALE**

PORTION OF THE GOVERNMENT LAND OF WAIMANALO
 Situated on the southerly side of Kalaniana'ole Highway
 Adjacent to Waimanalo School
 Waimanalo, Koolaupoko, Oahu, Hawaii
 Scale: 1 inch = 200 feet

EXHIBIT "B"

JOB 0-6191
C. BK

TAX MAP 4-1-09

**SURVEY DIVISION
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
STATE OF HAWAII**

C. S. F. No. 17127

15 June 21, 1974



HCR17
APPROVING THE SALE OF THE LEASED FEE INTEREST IN 41-655 INOAOLE STREET,
WAIMANALO, HAWAII.
House Committee on Housing

March 16, 2015

8:30 a.m.

Room 329

The Office of Hawaiian Affairs (OHA) offers the following **COMMENTS** on HCR17, which approves the sale of the leased fee interest in a single-family home in the Hale Aupuni affordable housing project. While the lands identified for the sale of the leased fee interest in HCR17 are “ceded” lands, the proposed sale falls within an OHA Board of Trustees (BOT) Executive Policy providing that OHA will not oppose such dispositions. Accordingly, **OHA does not oppose the sale of this leased fee interest.**

HCR17 has been offered for consideration by the Legislature in accordance with Act 176, Session Laws of Hawai‘i 2009, as amended. Act 176 requires a two-thirds majority approval by both houses of the Legislature before any specific lands controlled by the State can be sold (including, but not limited to, “ceded” lands). OHA notes that HHFDC has indicated that the correct address of the parcel being proposed for sale is 41-665 Inoaole Street, instead of 41-655 Inoaole Street. The rest of the information contained in the resolution accurately reflects the 41-665 Inoaole Street parcel.

In general, sales of “ceded” lands raise significant concerns for OHA and its beneficiaries, because the Native Hawaiian people’s unrelinquished claims to “ceded” lands have yet to be resolved. In response to Act 176 (2009) and Act 169 (2011), the BOT adopted a “Ceded Lands” policy which states:

OHA reaffirms its policy to protect the ceded lands corpus until the unrelinquished claims of Native Hawaiians are resolved, and OHA shall oppose the alienation of any ceded lands by the State of Hawai‘i, except in the following limited situations . . . (1) OHA shall not oppose a resolution submitted to the Hawai‘i State Legislature pursuant to Act 176 (2009) and Act 169 (2011) for the sale of fee simple interest of apartments, townhouses, and houses for home ownership, where . . . [2] there have been prior sales in the same development to the extent that the units have previously been substantially sold, or [3] sales of the fee simple interest were approved by the responsible state housing agency prior to the filing of the lawsuit *OHA v. Hawaii Finance and Development Corporation*, Civil No. 94-4207-11, First Circuit Court, State of Hawai‘i, November 4, 1994. (emphasis added).

While HCR17 proposes the sale of “ceded” lands, consistent with the policy exceptions cited above, OHA does not oppose the proposed sale of the leased fee interest in 41-665 Inoaole Street, for the following reasons:

- As of 2014, 171 of 190 of the total units in Hale Aupuni have had the fee simple interest sold (90% sold), indicating that units “in the same development . . . have previously been substantially sold”; and
- On January 12, 1990, the Housing Finance and Development Corporation (predecessor of the current Hawai‘i Housing Finance and Development Corporation) Board of Directors voted unanimously to approve the sale of the fee simple interest in Hale Aupuni. Accordingly, the Housing Finance and Development Corporation, as “the responsible state housing agency,” approved the sale of the fee interest in Hale Aupuni prior to the filing of the *OHA v. HFDC* lawsuit on November 4, 1994.

Therefore, OHA does not oppose the proposed sale in HCR17. Mahalo for the opportunity to testify.

jordan3-Kevin

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 12, 2015 9:29 PM
To: HSGtestimony
Cc: pnkellis@gmail.com
Subject: Submitted testimony for HCR17 on Mar 16, 2015 08:30AM

HCR17

Submitted on: 3/12/2015

Testimony for HSG on Mar 16, 2015 08:30AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
PENNY ELLIS	Individual	Comments Only	No

Comments: Aloha, My name is Penny Ellis and my family and I currently reside in Hale Aupuni at 41-665 Inoaole St. My family and I humbly asked that you approve our request to purchase the fee. It has always been our dream to own our home. We purchased our house in 2003 and have been waiting for many years for the fee to become available. Purchasing the land is the last step to realizing our dream and providing a future here in Hawaii for our children Mahalo, Gilbert and Penny Ellis

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov